

Circular

Support for institutions: estates projects

11 November 2005

SFC/12/2005



Scottish Funding Council
Promoting further and higher education

Comhairle Maoineachaidh na h-Alba
A' brosnachadh foghlam adhartach agus àrd-ìre



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<http://www.sfc.ac.uk/library/sfc/circular/2005>

This circular announces the Council's support for and funding of a property support team for major estates projects.

FAO: Principals and directors of Scotland's colleges and universities

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Recent SFC circulars

11 November 2005

SFC/11/2005

SOCRATES-ERASMUS fee compensation and fee anomalies for academic years 2004-05 and 2005-06

This circular invites higher education institutions to make claims under the Council's fee anomalies grant scheme.

11 November 2005

SFC/10/2005

Invitation to bid for funding to support cost benchmarking activities

This circular invites Scotland's colleges to bid for funding to support cost benchmarking activities in collaboration with other colleges.

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SFC/09/2005

Financial statements and returns 2004-05

This circular asks Scotland's colleges to send us copies of audited 2004-05 financial statements and associated supporting information by 31 December 2005.

11 November 2005

SFC/08/2005

Continuing support to institutions on transparent approach to costing (TRAC) and full economic costing (FEC) arrangements

This circular letter informs higher education institutions (HEIs) of the range of activities that have been developed to support them in the ongoing development of TRAC and FEC.

28 October 2005

SFC/07/2005

The 2005-06 Early Statistics Return on students eligible for funding

28 October 2005

SFC/06/2005

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28 October 2005

SFC/05/2005

Knowledge transfer grant: collection of activity data

21 October 2005

SFC/04/2005

2005 student experience survey

21 October 2005

SFC/03/2005

Partnership for the future: developing a new strategy

Support for institutions: estates projects

Introduction

- 1 This circular letter announces the Council's support for and funding of a property support team for major estates projects. The resource is targeted initially at Scotland's colleges, in recognition of the major capital programme currently underway, but is available for higher education institutions.

Background

- 2 The new Council has inherited, from the Scottish Further Education Funding Council (SFEFC), an ambitious capital programme for Scotland's colleges. This programme has accelerated in a very short period of time so that, whereas, two years ago SFEFC had approved funding for three major capital projects, we now have 20 major estates projects at various stages of implementation, with an estimated capital value in excess of £350 million.
- 3 There has been, until very recently, relatively little project management experience within the college sector in Scotland and, as part of our capital funding policy, announced in 2003 (circular letter FE/03/03), we agreed to provide up-front funding to help individual colleges buy in the necessary expertise for their projects.
- 4 Managing a capital programme of this scale clearly has significant resource implications both for the colleges commissioning the projects and for the Council. Experience has shown that mistakes and uncertainties at the outset can lead to delays which, in turn, significantly increase the costs of projects to institutions and the public purse. Equally, given the funding constraints within which the Council operates, slippage with the capital programme can be difficult for the Council to manage.
- 5 At the same time, the Council is committed to promoting *efficient government* by exploring opportunities for meaningful collaboration between institutions and with other stakeholders in the use of facilities and also by looking at new approaches to estates development and management.

Property support team

- 6 Recognising that all of these issues need to be tackled with an appropriate level of resource, the Council decided, after consultation

with the Association of Scottish Colleges and individual institutions, that one way forward was to establish and fund a property support team (PST).

- 7 There are essentially four key purposes for the team:
- ensuring that both good and bad experiences from other projects are shared across the sector to help colleges ask the right questions at the outset, resource the projects appropriately (including management and governance arrangements where relevant) and avoid re-inventing the wheel;
 - where there are specific issues relating to individual projects which require specialist advice not already available to a college, identifying and bringing in that advice to the project. This would include projects where there may be a need to explore non traditional procurement routes, such as public private partnerships;
 - ensuring that opportunities for meaningful collaboration in the use of facilities have been fully explored; and
 - monitoring and reporting back to the Council progress with the capital programme and in particular identifying potential slippage with individual projects.
- 8 The diagram in the Annex to this letter sets out the proposed make-up of the PST. There are specific key advisors who, based on experience to date, are essential to ensuring the delivery of a successful project. Initially the lead advisors will be Gardiner and Theobald and they will source, as appropriate, a range of other property and professional advisors depending on what is deemed necessary by the college, Gardiner and Theobald and the Council.
- 9 For some projects, colleges have been developing estates solutions in parallel with, or in support of, strategic reviews of their curricula. We have piloted successfully the use of the Further Education Development Directorate (FEDD) in these cases and we anticipate that the FEDD would provide a key input to certain projects where the need is identified by the colleges and the PST.
- 10 I should make clear that the PST is intended as an additional resource for both colleges and the Council to add value across the capital programme as a whole. Colleges will still be expected to appoint project management and consultancy support specific to their own

projects and where the duty of care is clearly to the college board of management.

How the PST will operate

- 11 It is essential that the Council obtains up-to-date progress reports from the PST for all projects where we are providing significant levels of funding. The existing arrangements, whereby colleges submit monthly progress reports to the Council will continue. Gardiner and Theobald will use this information to identify potential slippage and liaise as required with individual colleges and report back to the Council.
- 12 As indicated above, however, the PST is also designed to provide tailored support, specific to the needs of individual projects. Gardiner and Theobald will contact those projects which are at a critical stage of implementation (pre-tender or early construction) to assess, in conjunction with the college, what level of support the PST could most appropriately provide. They will also contact a small number of other major projects, at an earlier stage of implementation, where there are particularly complex issues to be addressed and resolved. Once the nature of support has been determined the Council will co-ordinate with the PST the provision of this support and the PST will liaise directly with each college, reporting back to the Council periodically.
- 13 It is intended that the PST will run as a pilot exercise for nine months (with effect from 14 November 2005) during which time the Council will monitor its progress to ensure that it is appropriate for the needs of individual institutions and the Council. Depending upon the outcome of that review the initiative would then be subject to the relevant European tendering procedures.
- 14 Whilst it is intended that, for the initial pilot stage at least, the focus of the PST will be to support the major capital programme underway, and expanding, within Scotland's colleges, it is not the Council's intention to restrict the availability of this resource to those institutions. Any higher education institution considering the use of the PST should discuss this, initially, with the Council.
- 15 All initial enquiries regarding contact with the PST should be directed to Martin Kirkwood, Deputy Director of Funding (Property and Capital Funding), Tel: 0131 313 6583, email: mkirkwood@sfc.ac.uk or Claire Bell, Assistant Director of Capital Projects, Tel: 0131 313 6673, email: cbell@sfc.ac.uk

- 16 Finally, I hope you will welcome this initiative as a much needed additional support for the ambitious capital programmes now unfolding across Scotland's colleges and universities.

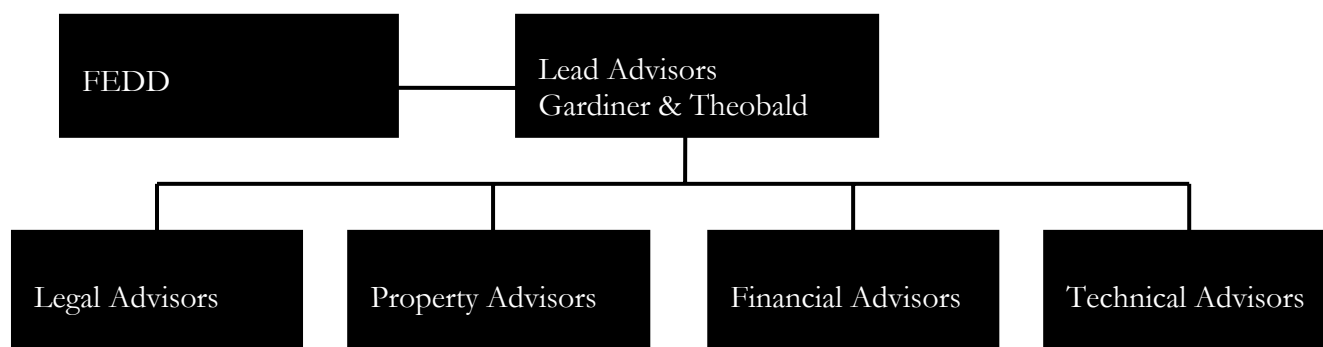
A handwritten signature in black ink, reading "Roger McClure". The signature is fluid and cursive, with the first name "Roger" and last name "McClure" clearly distinguishable.

Roger McClure
Chief Executive

Property Support Team

The key tasks for the PST have been identified as:

- to share good practice and experience across the sector, particularly for projects which are at an early stage and which would benefit from experiences elsewhere;
- to provide advice as required to college boards and senior management on specific areas of guidance in relation to major estates proposals;
- to provide specialist consultancy support, where such support has not already been identified and commissioned by the individual institution; and
- to monitor and report back to the Funding Council progress with the colleges' capital programme, and in particular to identify potential slippage to which the Council may need to respond.



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